GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2501
ANSWERED ON:18.03.2005
CREATION OF NATIONAL MICRO FINANCE EQUITY FUND
Joshi Shri Pralhad Venkatesh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is proposing to create National Micro Finance Development and Equity Fund aimed at assisting the poorer sections;

(b) if so, the details thereof; and

(c) the place of National Rural Employment Guarantee Scheme in the said fund?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE {SHRI S.S. PALANIMANICKAM):

(a) and (b) Yes, Sir. The Micro-Finance Development Fund (MFDF) managed by National Bank for Agriculture and Rural Development (NABARD) has been redesignated as Micro-Finance Development and Equity Fund (MFDEF) with the corpus enhanced from Rs. 100 crore to Rs. 200 crore as announced in the Budget Speech for 2005-06. The fund is aimed at augmenting the equity of Micro Finance Institutions which provide micro credit and other financial services to low income households and small informal businesses.

(c) The objectives of MFDEF do not envisage extending assistance/support for National Rural Employment Guarantee Scheme.